

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 17054 01 OF 02 011720Z

51

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-06 FRB-03 INR-07 IO-10 NEA-10 NSAE-00 OPIC-03

SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 OIC-02 L-03

SS-15 NSC-05 PA-01 PRS-01 USIA-06 /107 W

----- 014072

R 011649Z JUL 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 7786

LIMITED OFFICIAL USE SECTION 01 OF 02 OECD PARIS 17054

PASS TREASURY FOR SYVRUD

E. O. 11652: N/A

TAGS: EFIN, OECD

SUBJECT: COMMITTEE ON MONETARY AND FOREIGN EXCHANGE
MATTERS

REF: (A) CMC/A(75)1

(B) CMC(75)1

(C) CPE(75)5

1. SUMMARY. AT MEETING ON JULY 26-27, SUBJECT
COMMITTEE (CMC) ACHIEVED GENERAL AGREEMENT ON RECOMMEND-
ING TO COUNCIL THAT EXCHANGE GUARANTEE BE TERMINATED AND
CMC ITSELF BE SUSPENDED FOR INDEFINITE PERIOD.

2. NON-WP3 COUNTRIES MADE EXPECTED STATEMENTS REGARDING
NEED TO CONDUCT SUBSTANTIVE DISCUSSIONS OF BALANCE OF
PAYMENTS, EXCHANGE MARKET AND RELATED MONETARY MATTERS
IN A PLENARY OECD COMMITTEE. FELT SUCH DISCUSSIONS NOT
NOW TAKING PLACE IN ANY FORUM OPEN TO ALL MEMBERS.
WP3 COUNTRIES GENERALLY AGREED THAT APPROPRIATE TREAT-
MENT OF THESE SUBJECTS SHOULD TAKE PLACE IN PLENARY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 17054 01 OF 02 011720Z

BODIES AND POINTED OUT THAT EPC, CFM, SHORT-TERM

FORECASTERS AND OTHER COMMITTEES ALREADY EXIST FOR SUCH PURPOSES. ALL REFERENCE TO SUPPORT FUND GOVERNING BOARD REMOVED FROM DRAFT REPORT.

3. LONG DEBATE IN CMC RESULTED IN REPORT WHICH WAS DRAFTED SECTION BY SECTION BY SECRETARIAT DURING COURSE OF DISCUSSIONS. TENTATIVE REPORT AND DRAFT ENTRIES FOR COUNCIL DECISION CONCERNING FUTURE OF CMC AND TERMINATION OF EXCHANGE GUARANTEE WERE ACCEPTED BY MOST COUNTRIES BEFORE CONCLUSION OF MEETING. SECRETARIAT WILL FINALIZE REPORT AND SUBMIT TO COUNCIL IN OCTOBER.

4. TWO PART DRAFT CMC REPORT CONTAINS FOLLOWING ESSENTIAL ELEMENTS (A) PROVIDES FOR TERMINATION OF EXCHANGE GUARANTEE IN SO FAR AS OECD IS CONCERNED. IT WOULD BE LEFT TO PARTICIPATING CENTRAL BANKS TO OPERATE, SUSPEND, OR TERMINATE PORTION OF GUARANTEE APPLYING AMONG THEMSELVES AS THEY MAY AGREE. ANY LIQUIDATION WOULD TAKE PLACE AS PROVIDED IN GUARANTEE AGREEMENT. OECD WOULD PROVIDE SPACE FOR MEETING OF CENTRAL BANKERS, IF REQUESTED, BUT WOULD NOT PROVIDE SECRETARIAT SERVICES. (B) CMC WOULD BE EXTENDED ON "SUSPENDED" BASIS FOR INDEFINITE PERIOD BEYOND PRESENT DECEMBER 31, 1975 EXPIRATION DATE. HOWEVER, NO MEETINGS WOULD BE HELD AFTER THAT DATE UNLESS REQUESTED BY THREE OR MORE MEMBERS. UPON RECEIVING ANY SUCH REQUEST, SECRETARY-GENERAL WOULD CALL MEETING OF CMC WITHIN A REASONABLE PERIOD OF TIME, AT WHICH MEETING CMC WOULD AGAIN HAVE TO MAKE FIRM PROPOSALS TO COUNCIL REGARDING ITS FUTURE. IF COUNCIL THEN FAILED TO VOTE UNANIMOUSLY TO REACTIVATE CMC OR CONTINUE ITS SUSPENSION, CMC WOULD BE

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 17054 02 OF 02 011723Z

51

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-06 FRB-03 INR-07 IO-10 NEA-10 NSAE-00 OPIC-03

SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 OIC-02 L-03

SS-15 NSC-05 PA-01 PRS-01 USIA-06 /107 W

----- 014085

R 011649Z JUL 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 7787

LIMITED OFFICIAL USE SECTION 02 OF 02 OECD PARIS 17054

TERMINATED AUTOMATICALLY.

5. GERMAN DEL INDICATED HE HAD FIRM INSTRUCTIONS TO END RATHER THAN SUSPEND CMC AND EXCHANGE GUARANTEE. IF GERMANS FOLLOW THIS COURSE IN COUNCIL, CMC AND GUARANTEE WOULD BE TERMINATED, AS A UNANIMOUS VOTE FOR SUSPENSION WILL BE NECESSARY IN COUNCIL TO PREVENT AUTOMATIC TERMINATION OF BOTH ON DECEMBER 31, 1975. (FYI: GERMAN DEL INDICATED PRIVATELY HIS AUTHORITIES MAY AGREE IN COUNCIL TO SUSPENSION OF CMC.) US ALSO STATED IT PREFERRED TERMINATION OF BOTH CMC AND GUARANTEE BUT WOULD BE WILLING TO ACCEPT SUSPENSION OF FORMER IF STRONG CONSENSUS FOR SUCH MOVE DEVELOPED.

6. SINCE IT UNLIKELY GERMANS, OR OTHERS, WILL CONTINUE TO OPPOSE SUSPENSION OF CMC IN COUNCIL, MISSION RECOMMENDS THAT US AGREE TO SUSPENSION OF CMC AS OUTLINED PARA 4(B) ABOVE AND ACCEPT TERMINATION OF GUARANTEE AS OUTLINED IN PARA 4(A) ABOVE.

7. FINAL REPORT AND DRAFT ENTRIES (REF B REVISED) WILL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 17054 02 OF 02 011723Z

BE POUCHED TO WASHINGTON AS SOON AS AVAILABLE. MISSION WILL PROCEED IN COUNCIL AS OUTLINED PARA 6 ABOVE UNLESS OTHERWISE INSTRUCTED.
TURNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MONETARY AGREEMENTS, FOREIGN EXCHANGE, COMMITTEE MEETINGS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OECDP17054
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750228-0061
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750795/aaaadhgc.tel
Line Count: 160
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 CMC/A/7
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 14 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 MAY 2003 by ShawDG>; APPROVED <15 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COMMITTEE ON MONETARY AND FOREIGN EXCHANGE MATTERS
TAGS: EFIN, OECD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006